GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:119
ANSWERED ON:03.03.2011
IMPORT OF OIL FROM IRAN
Adhalrao Patil Shri Shivaji;Singh Shri Dushyant

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether India and Iran have arrived at an agreement for supply of crude oil;

(b) if so, the details thereof and the mode of payments agreed upon;

(c) the manner in which Iran was paid for crude oil imports earlier;

(d) whether there was any disagreement between the two countries in respect of the mode of payment for supply of crude oil;

(e) if so, the details thereof; and

(f) the manner it was resolved?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI S. JAIPAL REDDY) (a) to (f):

A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. 119 ASKED BY SHRI ADHALRAO PATIL SHIVAJI AND SHRI DUSHYANT SINGH TO BE ANSWERED ON 3.3.2011 REGARDING `IMPORT OF OIL FROM IRAN`.

(a) to (c): The Oil Marketing Companies (OMCs) viz. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL), Mangalore Refinery and Petrochemicals Limited (MRPL), and Essar Oil Limited (EOL) enter into term contracts with the National Iranian Oil Company (NIOC) for import of Crude Oil. The quantity of crude oil (in Million Metric Tonne) imported by these companies during the last 2 years and the current year is given below in the table:

Year	IOCL	BPCL	HPCL	MRPL	Reliance	EOL	Total
2008-2009	1.8	0.4	1.4	8.0	4.4	5.3	21.3
2009-2010	2.5	0.0	3.2	6.9	3.3	5.3	21.2
2010-11 (till September 2010)	1.0	0.3	1.3	3.3	0.0	3.0	8.9

The payments to Iran (NIOC) upto 22.12.2010 were being made through the Asian Clearing Union (ACU) Mechanism.

(d) to (f): Consequent to the withdrawal of the Asian Clearing Union mechanism by the Reserve Bank of India with effect from 23.12.2010, all payments to Iran for import of crude oil have to be settled in any permitted currency outside the ACU mechanism. To work out the payment modalities, a composite Indian delegation consisting of representatives of different Ministries and organizations visited Iran under the leadership of Additional Secretary, Department of Financial Services, Ministry of Finance during 14th - 17th January 2011. The delegation held discussions with Iranian authorities to resolve payment issues for import of oil by India. Pending dues of NIOC are now being cleared and as of 1.3.2011, payment of Euro 1.5 billion has been made to the Central Bank of Iran.